

Article - Real Property

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§8–805.

(a) (1) In this section the following words have the meanings indicated.

(2) “Irredeemable ground rent” means a ground rent created under a ground lease executed before April 9, 1884, that does not contain a provision allowing the leasehold tenant to redeem the ground rent.

(3) “Redeemable ground rent” means a ground rent that may be redeemed in accordance with this section or redeemed or extinguished in accordance with § 8–804(f) of this subtitle.

(b) (1) An irredeemable ground rent shall be converted to, and become, a redeemable ground rent, unless within the time specified in subsection (e) of this section, a notice of intention to preserve irredeemability is recorded.

(2) The conversion of an irredeemable ground rent to a redeemable ground rent occurs on the day following the end of the period in which the notice may be recorded.

(3) A disability or lack of knowledge of any kind does not prevent the conversion of an irredeemable ground rent to a redeemable ground rent if no notice of intention to preserve irredeemability is filed within the time specified in subsection (e) of this section.

(c) (1) Any ground lease holder of an irredeemable ground rent may record a notice of intention to preserve irredeemability among the land records of the county where the land is located.

(2) The notice may be recorded by:

(i) The person claiming to be the ground lease holder; or

(ii) If the ground lease holder is under a disability or otherwise unable to assert a claim on the ground lease holder’s own behalf, any other person acting on the ground lease holder’s behalf.

(d) (1) To be effective and to be entitled to be recorded, the notice shall be executed by the ground lease holder, acknowledged before a notary public, and contain substantially the following information:

(i) An accurate description of the leasehold interest affected by the notice, including, if known, the property improvement address;

(ii) The name of every ground lease holder of an irredeemable ground rent;

(iii) The name of every leasehold tenant as of the time the notice is filed according to the land records or the records of the State Department of Assessments and Taxation;

(iv) The recording reference of the ground lease;

(v) The recording reference of every leasehold tenant's leasehold deed, as of the time the notice is filed, according to the land records or the records of the State Department of Assessments and Taxation;

(vi) The recording reference of every irredeemable ground rent ground lease holder's deed; and

(vii) The block number for the leasehold interest if the property is located in Baltimore City.

(2) (i) A notice that substantially meets the requirements of this section shall be accepted for recording among the land records on payment of the same fees as are charged for the recording of deeds.

(ii) The filing of a notice is exempt from the imposition of a State or local excise tax.

(3) The notice shall be indexed as "Notice of Intention to Preserve Irredeemability":

(i) In the grantee indices of deeds under the name of every ground lease holder of an irredeemable ground rent;

(ii) In the grantor indices of deeds under the name of every leasehold tenant as of the time the notice is filed according to the land records or the records of the State Department of Assessments and Taxation; and

(iii) In the block index in Baltimore City.

(e) (1) To preserve the irredeemability of an irredeemable ground rent, a notice of intention to preserve shall be recorded on or before December 31, 2010.

(2) If a notice of intention to preserve is not recorded on or before December 31, 2010, the ground rent becomes a redeemable ground rent.

(3) If a notice is recorded on or before December 31, 2010, the ground rent shall remain irredeemable for a period of 10 years from January 1, 2011, to December 31, 2020, both inclusive.

(4) (i) The effectiveness of a filed notice to preserve irredeemability shall lapse on January 1, 2021, and the ground rent shall become a redeemable ground rent, unless a renewal notice containing substantially the same information as the notice of intention to preserve irredeemability is recorded within 6 months before the expiration of the 10-year period set forth in paragraph (3) of this subsection.

(ii) The effectiveness of any subsequently filed renewal notice shall lapse after the expiration of the applicable 10-year period and the ground rent shall become a redeemable ground rent, unless further renewal notices are recorded within 6 months before the expiration of the applicable 10-year period.

(f) A ground rent made redeemable in accordance with this section:

(1) Is redeemable at any time following the date of conversion of the irredeemable ground rent to a redeemable ground rent; and

(2) Shall be redeemable for a sum equal to the annual rent reserved multiplied by 16.66, which is capitalization at 6 percent.

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